

Willy Street Co-op Annual Report

Fiscal Year

**20
25**



we believe
good food
brings us
together



grocery.coop

Board President Report

Gigi Godwin (she/her)
Board President
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Greetings Willy Street Co-op Owners! On behalf of your Co-op's Board of Directors, I want to thank you for your continued support in FY25. I have the following updates to share with you:

ENDS Monitoring

The Co-op began, or continued to engage in, a number of partnerships, practices, and programs during FY25 that support our ENDS policy. Some of the highlights include:

- Collecting \$355,730 from shoppers to support Community Shares of Wisconsin's Community CHIP. This was an increase of \$16,800 from the previous year, and to date totals \$5 million since we started collecting in 1978.
- Awarding \$65,000 to 17 local nonprofit organizations through our Community Reinvestment Fund, and \$20,000 to three organizations for our Rooted in Our Community grants.
- Joining People's Food Co-op and Viroqua Food Co-op in an ad that promotes food cooperatives that was featured in the publication Edible Madison.

Our Co-op's Strategic Plan

In May of 2023, the Board, the General Manager, and members of management started work on creating a strategic plan for the next three (calendar) years: 2024-2026. By November, three areas of focus had emerged:

- Ensure the future success of Willy North;
- Become an employer of choice in Dane County; and
- Empower our Owners and shoppers on their wellness journey.

In September of this year, during a Strategic Planning Retreat, the Board workshopped ideas in order to broaden the first bullet point and members aligned on this: "Willy Street Co-op continues to be a thriving, resilient, and sustainable cooperative." We then added two sub-bullet points to this statement:

- The Co-op will continue to create a thriving Willy North; and
- The Co-op will be laying the groundwork for a fourth store.

These changes to the Strategic Plan were voted on at the Board's October meeting, and they passed unanimously.



Patronage Refunds

In our society, we are not often taught how to create, maintain, and share the ownership of community assets and common wealth. The notions of ownership and patronage refunds are embedded in the third Cooperative Principle: "Owner Economic Participation." This Principle states that: "Owners contribute equitably to the capital of the cooperative," and "The economic benefits of a cooperative operation are returned to the Owners, reinvested in the co-op, or used to provide Owner services." Last year the Co-op was profitable enough that we can offer a patronage refund to Owners in January of 2026.

The Co-op's Board of Directors greatly appreciates the opportunity to represent Co-op Owners and we also appreciate any feedback, comments, questions, or suggestions you might have. We can be contacted via email at: board@willystreet.coop.

We look forward to hearing from you!

General Manager Report

Anya Firszt (she/her)
General Manager
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Greetings!

The Co-op celebrated a significant milestone last year—our 50th anniversary! For the last fifty years, our operation has been fairly routine; we have employed people, purchased products from vendors, and served our Owners.

By shopping at the Co-op, you provide the sales revenue needed to make good things happen. You helped us employ 370 staff members, with 272 of them being eligible for full-time benefits. (We consider full-time to be at least 30 hours of work per week.)

Your support allowed us to work with 166 other American food cooperatives to share best practices, get discounts on shopping bags and Deli containers, and receive sale pricing we couldn't get on our own.

You strengthened the local economy by purchasing products sourced from hundreds of local farmers, producers, and service providers, by employing people from the community, and by giving back to the community.

The Co-op currently offers more than 450 local brands at our stores, which produce about one-third of our total annual sales.

In addition to promoting local products and vendors, we promoted Fair Trade products by educating people about their benefits. The Fair Trade food system helps preserve and support healthy farming communities globally, not just locally. We also promoted our Inclusive Trade program, which focuses on products sourced from companies owned and operated by individuals from underrepresented groups.

I am proud of our efforts to develop a diverse vendor pool that aligns with our mission, vision, and values.

What else happened last fiscal year?

We added 2,112 Owners in the last fiscal year, for a total of 34,150 active Owners. You all played a vital role in making the Co-op's year a success. You purchased (a lot of) groceries, supported equity initiatives, attended classes, and supported various programs—like the Double Dollars program that is funded by our reusable bag initiative and customer donations; food donations for our food pantry partners; and the Pantries of Plenty campaign. Additionally, our shoppers supported Community Shares of Wisconsin's Community CHIP® Program with \$355,730 in donations collected at the register. Community Shares supports over 70 local nonprofits that focus on environmental and social justice in our community.

We updated our Boycott Policy last year to better serve all our Owners. This change empowers our Owners to make decisions regarding products we sell rather than placing that responsibility solely in management's hands. This is just one more example of how co-ops differ from other businesses: by offering Owners greater opportunities to provide input on the products we carry and the services we offer.

We carried on the tradition of giving back to the community through our Community Reinvestment Fund program. In FY25, we awarded \$65,000 to local nonprofits and \$20,000 was awarded to three recipients as part of a new program, Rooted in Our Community. This grew our total giving to \$673,500 since the inception of the program in 1992.

I would like to take a moment to reflect on our 50th anniversary. We owe a great deal to our founding Owners, who laid the groundwork for what we are today. If they had not taken control over how and where their food was grown and sourced, we would not exist as we do now.

For half a century, our staff, vendors, community partners, and you, our Owners, are the reason we have remained open for business.

Thank you all for your support over the years.

Focus on Local

Brendon Smith (he/him)
Communications Director
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Everyone knows that Willy Street Co-op is the best place for locally made products, but we also support local projects and initiatives! Keeping money circulating in our community keeps it strong and resilient, and it helps all of us who live here as well. Here are a few of our community-related activities from fiscal year 2025.

- Designated a two-week period where only local Inclusive Trade vendors could offer samples of their products in our stores.
- Added a "Rooted in Our Community" option to the Community Reinvestment Fund to provide grants for larger capital purchases/investments to support our local, sustainable food system.
- Continued to focus on local service providers where possible, from office supplies vendors to printers to website developers.
- Sponsored and participated in a variety of local festivals and events throughout the year. Stop by our tent if you see us and try out our Produce Piano!
- "Would you like to CHIP?" Customers have said "Yes!" to this question hundreds of thousands of times in the last fiscal year, and millions of times since we began working with Community Shares of Wisconsin (CSW) to collect donations for local nonprofits. As of October 2025, we've collected more than \$5 million from generous shoppers. Thank you to all who have donated! Every penny of money collected is given to CSW to divide among their approximately 70 local nonprofits, who do good in our community.
- Partnered with the Madison Children's Museum to offer some Co-op-made products in their Lunchbox Cafe, shown below.



Finance Report

Paige Wickline (she/her)
Director of Finance
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Financial Strength

Fiscal Year 2025 ended with Willy Street Co-op in a strong financial position. Our Co-op has a history of being financially sound, which has allowed us to grow into the vibrant business we are today. Our financial sustainability ensures our long-term viability and allows us to withstand challenges and continue to focus on our mission, which is to:

Cultivate and empower community, customers, employees, and suppliers through cooperative principles and practices.

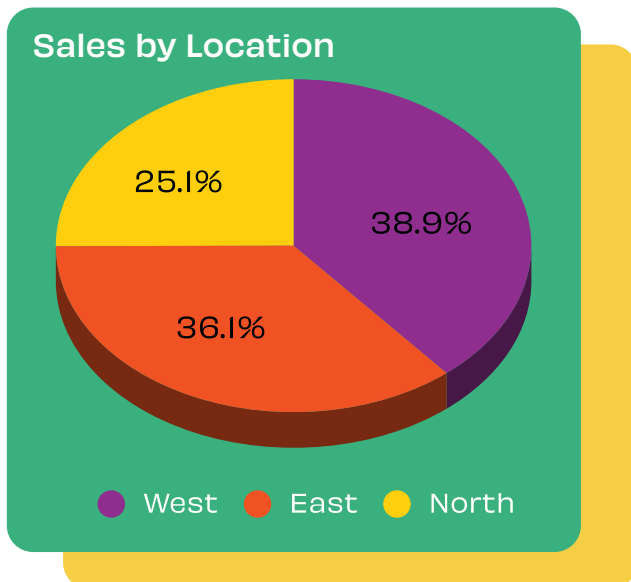
We ended the year with just under \$4 million in cash and a strong liquidity position, with our current assets greater than our current liabilities. This is a reflection of our ability to pay off our short-term debts and meet our financial obligations.

Owner Bonds

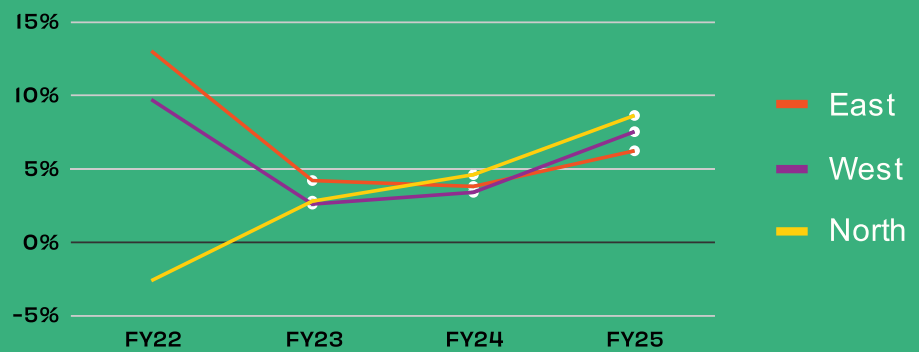
One item we no longer have on our books is Owner bonds. The last time we issued bonds was in 2018 for the expansion at Willy West. The bonds issued for that project totaled \$674,500. At the beginning of the fiscal year, the only remaining bonds on our books were the Willy West seven-year bonds for \$295,000. These matured and were paid in January 2025. Thank you again to our Owners for your financial support for this and past expansions.

Sales

Sales last fiscal year were just shy of \$70 million, coming in at \$69.6 million. This was an increase of \$4.7 million or 7.3% sales growth over fiscal year 2024. Willy North had the largest sales growth at 8.6%, with Willy West coming in at 7.5%, and Willy East at 6.2% growth.



Annual Sales Growth by Location



Our focus on sales at Willy North the past few years has had a positive impact on their growth. North's sales growth has outpaced both East and West the past two years.

Cost of Goods Sold and Margin

Our gross sales profit or margin dollars are the funds remaining after we pay our vendors for the cost of the products we sell. After paying for the items we sold, we had \$25.5 million remaining. Our margin as a percent of sales has remained stable. The price increases you have noticed when buying groceries have been due to higher wholesale costs we pay our vendors. While inflation has continued to slow over the past year, there have been other pressures on costs including labor shortages due to immigration changes under the current administration, increased costs from Tariffs, and the ongoing impact of avian flu on the cost of eggs. With our focus on local, the impact of these factors has been less for us than on large national grocery chains.

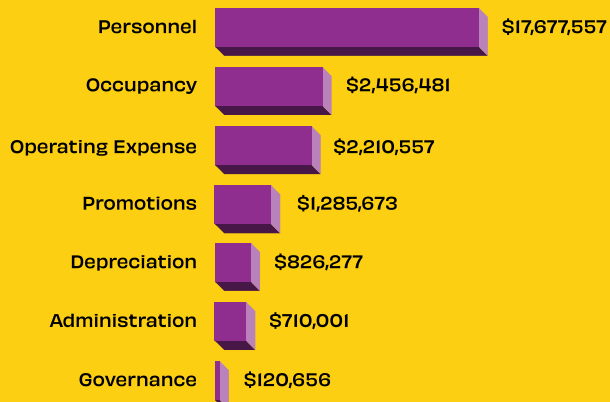
Expenses and Income Before Provision for Income Taxes

Of the \$25.5 million in gross profit, \$17.7 million was spent on wages and benefits for staff, and \$7.6 million was spent on operating expenses. Operating expenses include costs we incur to run our Co-op such as rent, utilities, repairs, and maintenance. Our income from operations came in at \$230,750 or .34% of sales.

We also have other income and expenses that are not directly related to selling groceries. After adding other income and deducting other expenses, we had a net positive of other income in the amount of \$348,973. Our net income before provision for income taxes is \$579,723 or .84% of sales.



Expenses by Type



Patronage

When co-ops achieve a profit at the end of the fiscal year, they may distribute the Owners' share of the profit back to the Owners in the form of a patronage refund. These refunds are allocated based on an Owner's patronage (purchases) and consist of retained patronage equity and store credit.

We will be distributing \$505,600 of our profits back to our Owners. Of this amount, \$202,240 will be given as a store credit that Owners can use at the register, and the remaining \$303,360 will be retained by the Co-op as patronage equity. We will provide details regarding the individual store credit amounts and the timing of when they will be available at our retail locations soon.

Profit Share

Our profit share policy allows profits to be shared with staff every quarter when our net income for the quarter exceeds 1% of sales, and when profit share is recommended by management, and approved by our Board of Directors. The only quarter in FY25 that met all of the qualifications for profit share was our third quarter. For the third quarter, total profit share paid to staff was \$39,106. The hourly profit share amount each staff member received was \$0.273 per hour worked in the quarter. For full-time staff who worked 40 hours per week in the quarter, their profit share was \$142.

Summary

We are happy to report that we had a financially successful year, where we were able to share profits with both our staff and our Owners!

If you would like to view our audited financial statements, they are available at willystreet.coop/FY25-audited-financial-statements.

If you have any questions regarding our financial results, please feel free to reach out to me via email at p.wickline@willystreet.coop.

Sustainability at the Co-op

Brendon Smith (he/him)
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Sustainability is an ongoing focus for us—it's one of the ways we interpret Cooperative Principle #7: Concern for Community, and it's mentioned in our mission, vision, and diversity, equity and inclusion statements. Here are some of the changes we made in fiscal year 2025 to be more sustainable:

- Partnered with Legacy Solar Co-op and Full Spectrum Solar to add solar panels to the rooftop of Willy West. We expect this to generate about 165,000 kWh/year, or about 22% of that store's yearly electricity bill.
- Began offering Frontier Co-op paper spice bags (with a removable tin tie) in the Bulk department at the stores. Once the tie is removed and the bag emptied, the bag can be composted or recycled.
- Willy East brought back a self-serve bakery case at the beginning of the fiscal year. We had gotten rid of it during the first months of the pandemic because bakery products couldn't be sold unwrapped. The pilot project was deemed a success, so we brought back self-serve bakery cases to Willy West and Willy North as well.
- We want to support other community sustainability projects as well! We added a "Rooted in Our Community" section to the Community Reinvestment Fund to provide grants for larger capital purchases/investments to support our local, sustainable food system.
- We have our second fiscal year's worth of sustainability metrics! We track electricity use, natural gas use, amount of solar power generated, compost diverted from landfills, and more. To see the metrics and learn more about our sustainability practices, see willystreet.coop/sustainability.



Giving Back

Charitable giving amounts by type

"Abandoned equity" is Owner equity paid to join the Co-op that is unclaimed or donated by Owners who leave or do not shop at the Co-op for at least three years. By law, funds are donated annually to a charitable fund. "Operations" refers to money budgeted as an expense for the purpose listed.

\$355,730

from customers

in donations to Community Shares of Wisconsin

**WILLY STREET
CO-OP**

\$132,382

from operations

in local event sponsorships including the Good Neighbor Festival, Fête de Marquette, Black Women's Wellness Day, and many more)

\$331,088

from operations

in Access discounts
(1,508 participants)

\$29,240

from operations

in donations of food, gift bags, gift cards, and other products and services
(to 146 nonprofits and schools)

\$11,808

from abandoned equity

in matched Double Dollars Fund donations (from our Pantries of Plenty campaign)



\$60,859

from operations & customers

in Double Dollars Fund donations

10,674 Double Dollars vouchers distributed (down 1,165 from FY24)

90% were redeemed (down 2% from FY24)

\$53,370

worth of fruits & vegetables given (down \$5,825 from FY24)

www.willystreet.coop/double-dollars

\$36,905

from customers and matched amount from abandoned equity

in disaster relief donations at registers

\$17,950

\$8,975 from customers; matched by Board

2025 Los Angeles fires total donations

\$18,955

\$9,477 from customers; matched by Board

2024 Hurricane Helene & Milton total donations



GlobalGiving

\$4,653

from operations

in donations to local schools through the Co-op's Scrip Program

\$85,000

from abandoned equity

in Community Reinvestment Fund/Rooted In Our Community grants
20 organizations; \$20,000 more than in FY24



Fiscal Year

2025

Total: \$1,047,665

Celebrating 50 Years of Cooperation

Kristina Kuhaupt (she/her)
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In October 2024 we celebrated 50 years of cooperation. Willy Street Co-op opened its doors in 1974, staffed by a few volunteers. Today we have three stores, a production kitchen, a community event space, and a business office, 370 employees, and 34,150 Co-op Owners. Here are a few of the things we did to help celebrate our 50th anniversary:

- Held our first Farm-to-Table Dinner at Aubergine, our community space across from Willy East. Fifty attendees enjoyed dishes made by Chef Mike Tomaloff using local ingredients. It was so popular that we brought it back this year, and expect to do it again next year.
- Gave away a pack of coupons, each good for a year's supply of one of the following: frozen pizza; kombucha; coffee and pastries, sandwiches; and coffee.
- Teamed up with 43 (not quite 50) local businesses to offer Willy Street Co-op Owners a discount or free product or service. We call the program Community Perks, and Owners can still take advantage of these offers! See the list at willystreet.coop/community-perks.
- Invited Steve Rankin and Steve Rooney (two of the Co-op's founding Owners) and David "Rosebud" Sparer (who had been the Co-op's attorney for decades), to speak at our Annual Meeting. Steve and Rosebud shared Co-op stories from the Co-op's first few decades.
- Hosted our '50 Years Together' Art Exhibition at Aubergine, highlighting photographs of the faces, places and early marketing ads that have made the Co-op what you see today.
- Awarded each staff member a 50th anniversary-branded hooded sweatshirt. Thank you to all staff members for your dedication and support!

